

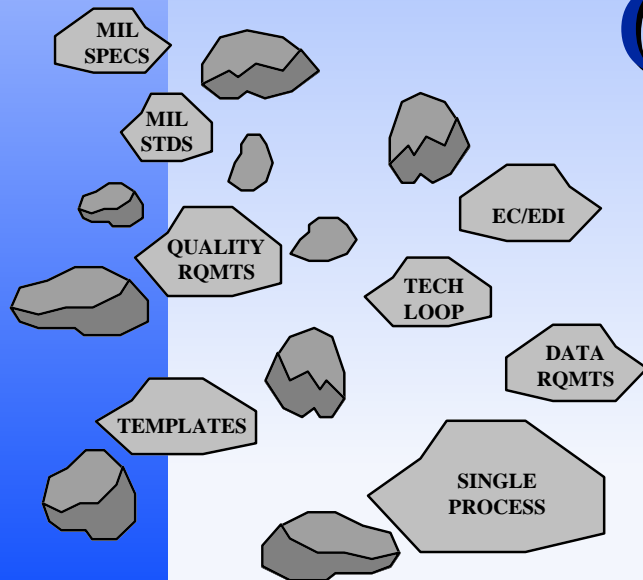


ACQUISITION REFORM

OVERVIEW

Curt Morton

MEVATEC CORPORATION



ARMY ACQUISITION REFORM: WHAT WE HAVE DONE...

SIMPLIFIED THE PROCESS

- ◆ LAW CHANGED - FASA / FARA
- ◆ PAPER REDUCTION
- ◆ PERFORMANCE SPEC
- ◆ EC / EDI
- ◆ ASARC / DAB PROCESS
- ◆ BETTER TRAINED WORKFORCE / ROADSHOWS
- ◆ DOD 5000 SERIES REGULATION CHANGED
- ◆ PARTNERING WITH INDUSTRY
- ◆ IPTs

TRANSITIONING TO FORCE XXI -- DIGITIZING THE PROCUREMENT PROCESS

- ◆ EC / EDI
- ◆ CREDIT CARDS
- ◆ INTERNET
- ◆ SIMULATIONS AND MODELING
- ◆ VIRTUAL TESTING

ARMY ACQUISITION REFORM PLAN -- REINVENTING THE INSTITUTION

- ◆ STREAMLINE REQUIREMENT / BUDGET PROCESS
- ◆ REDUCE OVERHEAD
- ◆ REDUCE BARRIERS
- ◆ STREAMLINE TEST & EVALUATION
- ◆ PRODUCTION / FIELDING
- ◆ SUSTAINMENT

ARMY XXI ACQUISITION REFORM REINVENTION LABORATORY

“ONCE AN ITEM HAS PASSED PROOF-OF-PRINCIPLE IN THE ADVANCE WARFIGHTING EXPERIMENT AND WE HAVE DECIDED TO MAKE IT PART OF ARMY XXI, WE SHOULD THEN MAKE IT PART OF A REINVENTION LAB FOR ACQ REFORM AND USE ALL OF THE REFORMS WE THINK MAKE SENSE TO GET AS MANY AS POSSIBLE AT THE LOWEST COST”



ARMY XXI ACQUISITION REFORM REINVENTION LABORATORY

EXPEDITED DEVELOPMENT
& FIELDING OF EQUIP

ARMY XXI
NEW DIVISION FIELDIED

†MAR 97 - BDE AWE ENDS

†NOV 97 - DIV AWE ENDS

†FEB 98 - FINAL DIV DESIGN

†OCT 98 - ARMY XXI HEAVY DIV MTOE

†30 SEP 00 - FIRST ARMY XXI DIV FIELDIED

ARMY XXI ACQ REFORM
REINVENTION LAB

ACQ LEAD
TIMES
30-40 MONTHS

FORCE

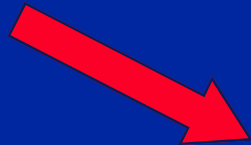
XXI

34 FORCE MOD ITEMS
52 PROTOTYPES

HOW WILL FORCE XXI INITIATIVES BE FUNDED?

FORCE STRUCTURE

2.1 M



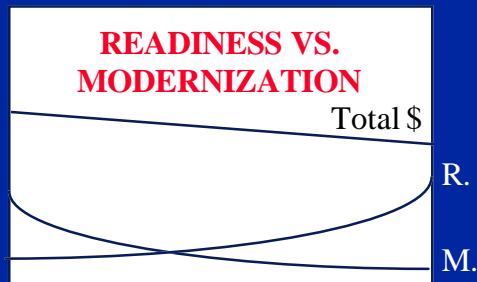
1.5 M

READINESS



O&M \$ EXPENDITURES

READINESS VS. MODERNIZATION



THREE ALTERNATIVE SOURCES

INFRASTRUCTURE

BRAC

OUTSOURCING

INVENTORY REDUCTION

FOCUSED LOGISTICS

DIRECT VENDOR DELIVERY

ACQUISITION REFORM

SINGLE PROCESS

COMMERCIAL PRACTICES

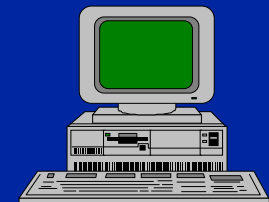
QUALITY



PRECISION STRIKE



INFORMATION TECHNOLOGY



ALPHA CONTRACTING

THE IPT APPROACH TO CONTRACTING

- ◆ **TEAM APPROACH**
- ◆ **SOLE SOURCE**
- ◆ **INCLUDES PREPARATION AND EVALUATION OF PROPOSALS,
AND NEGOTIATION AND AWARD OF CONTRACTS**
- ◆ **CONCURRENT ACTIVITIES**
 - ✓ **REDUCES LEAD TIME 50-80%**

COMMERCIAL ITEMS

DOD DIRECTIVE

5000.1 DEFENSE ACQUISITION

**5000.2-R MANDATORY PROCEDURES
FOR MDAPS & MAIS ACQUISITIONS**

NEW PROGRAMS

**ACAT I MAJOR DEFENSE ACQUISITION
PROGRAMS**

ACAT II MAJOR SYSTEMS

USER, DEVELOPER, TRAINER,
BATTLE LABS

- ◆ **RESEARCHING THE POTENTIAL OF THE COMMERCIAL MARKETPLACE TO MEET SYSTEM PERFORMANCE REQUIREMENTS IS AN ESSENTIAL ELEMENT OF BUILDING A SOUND SET OF REQUIREMENTS**
- ◆ **MARKET RESEARCH AND ANALYSIS SHALL BE CONDUCTED TO DETERMINE THE AVAILABILITY AND SUITABILITY OF EXISTING COMMERCIAL AND NON-DEVELOPMENTAL ITEMS PRIOR TO THE COMMENCEMENT OF A DEVELOPMENT EFFORT, DURING THE DEVELOPMENT EFFORT, AND PRIOR TO THE PREPARATION OF ANY PRODUCT DESCRIPTION.**

FEDERAL ACQUISITION REGULATION

PART 10 MARKET RESEARCH

- ◆ AGENCIES WILL CONDUCT MARKET RESEARCH APPROPRIATE TO THE CIRCUMSTANCES
.....BEFORE SOLICITING OFFERS FOR ACQUISITIONS WITH AN ESTIMATED VALUE IN EXCESS OF THE SIMPLIFIED ACQUISITION THRESHOLD.....

**SPARES & REPAIR PARTS
REPAIR & REBUILD
SERVICES
TRAINING**

**ENGINEERING
ANALYSIS**

- ◆ MARKET RESEARCH WILL BE CONDUCTED TO ASCERTAIN THE AVAILABILITY OF COMMERCIAL ITEMS OR NDI THAT:
 1. MEET REQUIREMENTS
 2. COULD BE MODIFIED
 3. COULD MEET AGENCIES NEEDS IF REQUIREMENTS WERE MODIFIED TO A REASONABLE EXTENT

**BUSINESS
ANALYSIS**

- ◆ MARKET ANALYSIS WILL BE CONDUCTED TO IDENTIFY CAPABLE SOURCES, IDENTIFY MARKET PRACTICES, DETERMINE THE EXTENT TO WHICH COMMERCIAL ITEMS OR NDI COULD BE INCORPORATED AT THE COMPONENT LEVEL

AGENCIES ARE TO DESCRIBE REQUIREMENTS

IN A MANNER :

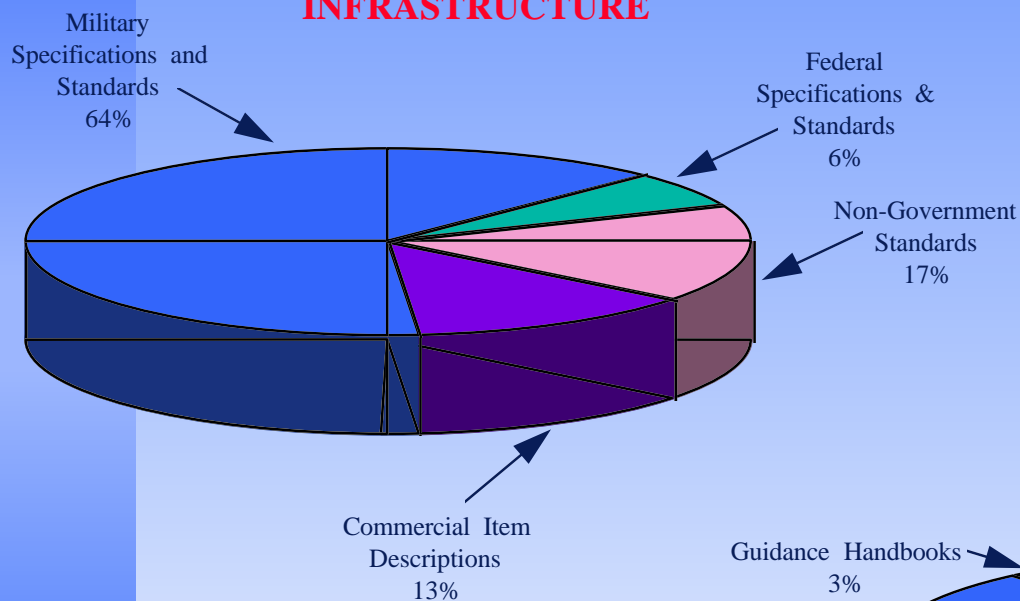
- ◆ TO ENSURE THAT REQUIREMENTS ARE STATED IN TERMS OF THE FUNCTIONS TO BE PERFORMED, OR PERFORMANCE REQUIRED

DESIGN TERMS
NOT

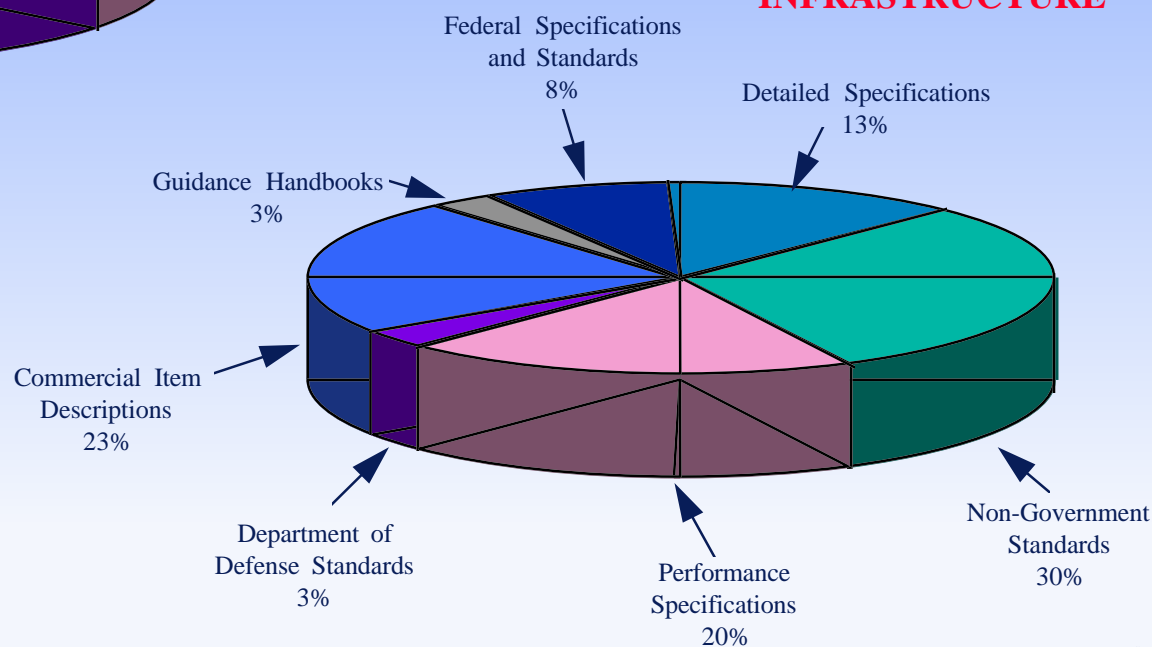
- ◆ SO THAT OFFERORS MAY SUPPLY COMMERCIAL ITEMS

SPECS AND STDS INFRASTRUCTURE TODAY AND THE FUTURE

TODAY'S INFRASTRUCTURE



PLANNED FUTURE INFRASTRUCTURE



REVISED DRAFT AR70-1, ARMY ACQUISITION POLICY

SIGNIFICANT CHANGES:

- ◆ **PEO OR PM NOW HAS LEEWAY TO OBTAIN MATRIX SUPPORT BASED ON BEST VALUE**
- ◆ **PEOs AND PMs WILL BE BUDGETED TO LIMIT THE AMOUNT OF MATRIX SUPPORT**
- ◆ **ALL SOLICITATIONS SHALL STATE NEEDS IN TERMS OF PERFORMANCE SPECIFICATIONS**
- ◆ **CONTRACTOR PROPOSED USE OF MIL SPECS AND STDS IS ALLOWED**
- ◆ **ESTABLISHES HIERARCHY OF ALTERNATIVES FOR NEW STARTS**
 - ✓ **COMMERCIALY AVAILABLE SYSTEMS**
 - ✓ **COOPERATIVE DEVELOPMENT PROGRAM**
 - ✓ **JOINT SERVICE DEVELOPMENT PROGRAM**
 - ✓ **NEW SERVICE-UNIQUE DEVELOPMENT PROGRAM**

SINGLE PROCESS INITIATIVE

COMMERCIAL

MILITARY



**SINGLE PROCESS
FACILITY**

100 CONTRACTORS
500 PROCESS CHANGE PROPOSALS

DSMC
110 DAYS TO APPROVE

TO DATE
178 PROCESSES CHANGED
(QUALITY, MANUFACTURING,
BUSINESS PRACTICES)
53 PROPOSALS → \$ TO GOVT

RAYTHEON
16 FACILITIES
880 CONTRACTS
32 PROCESSES → 12

LOCKHEED MARTIN
PROPOSED 196 CHANGES
WORKING ON 230 MORE
PROBABLY HAVE 500
MORE TO COME

ALL PROGRAMS

ACQUISITION REFORM

WHY?

HOW?

DO!

REQUIREMENTS / BUDGET PROCESS

- ◆ **FORCE XXI INITIATIVES FUNDING**

- ◆ **DOUBLE REPROGRAMMING AUTHORITY**

- ◆ **NEW REQUIREMENT / IPT PROCESS**

- ◆ **JUMP START TECHNOLOGY PROGRAMS**

- ◆ **REQUEST FOR FY97 & POM 98-03**

- ◆ **ARMY XXI REINVENTION LAB**

- ◆ **RDT&E TO \$8M // PROC TO \$20M**

- ◆ **OSD SUPPORTS**

- ◆ **TRADOC PUBLISHED TRADOC PAMPHLET 525-5**

- ◆ **BETTER INTERFACE BETWEEN USER, COMBAT DEVELOPER, AND MATERIEL DEVELOPER**

- ◆ **IPT AND ICT (INTEGRATED CONCEPT TEAMS) DESIGNED TO IMPLEMENT CAIV)**

REDUCE OVERHEAD

- ◆ SINGLE PROCESS INITIATIVES

- ◆ EFFICIENCIES/CONSOLIDATE
ARMY CONTRACTING

- ◆ USE OF PERFORMANCE SPECS

- ◆ SIGNED AGREEMENTS
RAYTHEON, TEXAS
INSTRUMENTS & UDLP
- ◆ 30 CONTRACTORS - ALL
WANT TO STREAMLINE -
SARDA / DCMC WORKING

- ◆ FAA ANALYSIS (IDENTIFIED)

117 TDA REDUCTIONS - CREDIT CARD EFFICIENCIES

826 TDA REDUCTIONS - WORKLOAD EFFICIENCIES

94 TDA REDUCTIONS - LOCAL OFFICE CONSOLIDATIONS

1037 (FROM 210 OFFICES TO ?????)

- ◆ 14 ACAT I/II PROGRAMS REVIEWED
- ◆ 59% SOW & CDRL REDUCTION
- ◆ 55% MIL-SPEC / STDS REDUCED

REDUCE BARRIERS

- ◆ CONTINGENCY CONTRACTING DEFINITION

- ◆ EXPANDED USE OF EC / EDI

- ◆ CREDIT CARD USAGE

- ◆ INCLUDED IN FY 97 LEGISLATION

- ◆ 210 EXISTING SITES
- ◆ FULL ARMY FIELDING -- 1 JAN 97
- ◆ REDUCES CYCLE TIME
- ◆ DIGITIZED DRAWINGS -- ALL AMC BY 1997

- ◆ WILL EXCEED 80% GOAL
- ◆ TESTING \$25K / 100K CARDS IN DSS-W

TESTING & EVALUATION

- ◆ SINGLE TEST & EVALUATION PROCESS

- ◆ TEST / SIMULATION / EVALUATION MASTER PLAN

- ◆ REDUCE SAMPLE LOT TESTING

- ◆ REENGINEERED TEMP DEVELOPMENT, STAFFING, AND APPROVAL PROCESS

- ◆ AR73-1 WILL BE UPDATED

- ◆ EVALUATION FUNCTION TRANSITIONING TO OPTEC FROM AMC

- ◆ AMC DEVELOPING IMPLEMENTING INSTRUCTIONS

- ◆ PILOT PROGRAM AT TACOM

PRODUCTION / FIELDING STRATEGY

◆ **EXPAND USE OF MULTIYEAR CONTRACTING FOR ALL APPROPRIATIONS**

◆ **COMBINE BUYS WITH OTHER SERVICES**

◆ **AGGRESSIVELY RETIRE EQUIPMENT**

◆ **MULTIYEARS:**

- ✓ JAVELIN
- ✓ LONGBOW HELLFIRE
- ✓ SINGARS
- ✓ ABRAMS
- ✓ FMTV

◆ **RETIRING 43,000 VEHICLES BY
END OF FY97**

◆ **SAVES \$128M IN POM**

◆ **USING AF AIRCRAFT MAINTENANCE
CONTRACTS**

◆ **INCLUDING AF, NAVY AND MARINE
SITES IN CECOM's MACOM
TELECOMMUNICATIONS
MODERNIZATION PROGRAM
CONTRACT**

SUSTAINMENT

- ♦ MODERNIZE THROUGH SPARES
- ♦ ALT / PALT REDUCTION
- ♦ EQUIPMENT DISPOSAL PROCESS

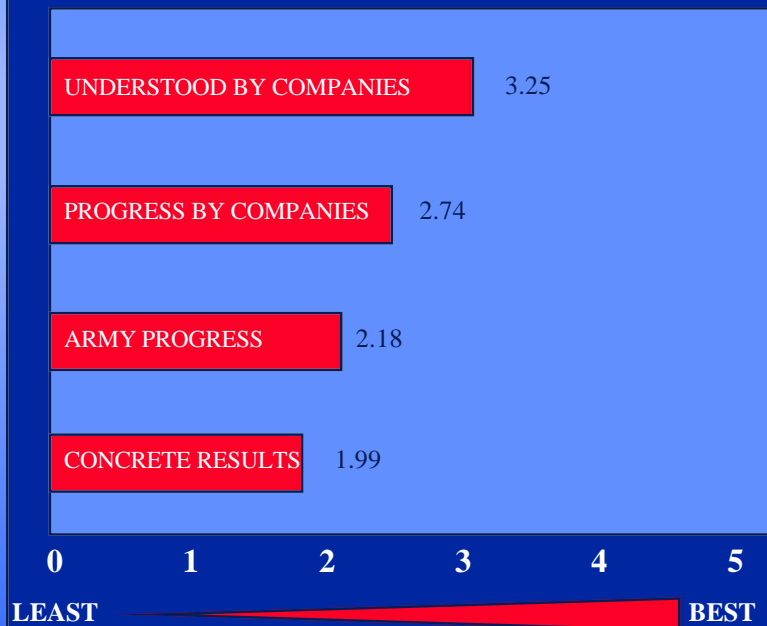
- ♦ PILOT PROGRAMS WITH BLACKHAWK, HMMWV, PALADIN, TACOM, AND ATCOM REPS

- ♦ REDUCED ALT 32% / PALT 38%
- ♦ AUTOMATING METRICS

- ♦ LEGISLATIVE REQUEST TO CONDUCT TEST
- ♦ MEMO TO FIELD, 6 JUNE, PROVIDING ADDL GUIDANCE ON EXISTING EXCHANGE PROGRAM

SURVEY RESULTS

OVERVIEW OF SURVEY RESULTS



HOW WELL DOES YOUR COMPANY UNDERSTAND ACQUISITION REFORM?

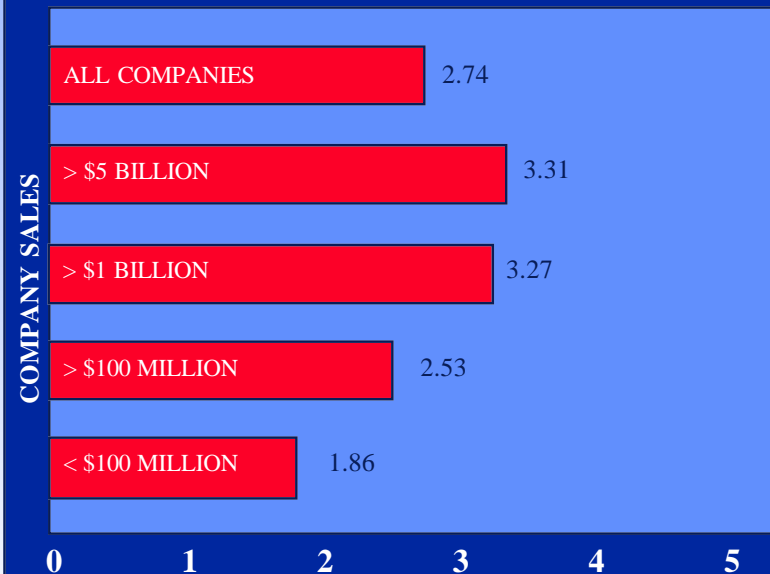


SURVEY RESULTS (Cont.)

HOW WELL IS ACQUISITION REFORM BEING DONE IN VARIOUS PROCUREMENTS?

MAJOR PROGRAMS	2.4
NON-MAJOR PROGRAMS	2.0
SPARES REBUYS	1.7
OPERATION & MAINTENANCE SERVICES	1.7
ANALYTICAL & ASSESSMENT SERVICES	2.1
ENGINEERING & TECHNICAL SERVICES	1.7

WHAT PROGRESS ARE THE COMPANIES MAKING IN IMPLEMENTING ACQUISITION REFORM?



QUESTIONS / COMMENTS

